In the matter of,
Informational Proceeding and
Preparation of the 2004 Integrated
Energy Policy Report Update
(2004 Energy Report Update)

) Docket No. 03-IEP-01
) Comments for the Committee
) on Workshop and White Paper
) re: Resource, Reliability and
) Environmental Concerns of
) Aging Power Plant Operations
) and Retirements

## Comments of the Cities of Alameda, Palo Alto and Santa Clara On CEC Aging Power Plant Studies Staff White Paper and Workshop

The Cities of Alameda (Alameda Power and Telecom), Palo Alto and Santa Clara (Silicon Valley Power) hereafter called Cities; commend the California Energy Commission (CEC) for undertaking this work. It can help inform policy makers with respect to important issues. But as pointed out in the Staff's draft report, important additional information is just now being submitted and additional work needs to be completed. We believe that additional work should include:

- A greater focus on the transmission facilities that can relieve the need for these aging units. It is understandable that this report was not complete in that area. The commission staff should start from the work being completed by the PTOs and build upon that knowledge base by analyzing various scenarios that look at transmission impacts of likely groupings of possible retirements.
- 2. The report indicates the staff struggled to obtain recent good information on the reliability of Aging Power Plants. We support the staff's continuing efforts in this area as part of the Common Forecasting Methodology process. The CAISO has a detailed database on unit performance. There was no discussion in the paper about its relative usefulness compared to the other data sources available, including CEMS (a Continuous Emissions Monitoring System). The CEC needs to describe the attributes of the CEMS database and the CAISO database including the ability to publish the results by individual unit. Although adjustment of capacity for purposes of resource adequacy is an open issue, the current CPUC draft decision indicates that, over time, the relative performance of units will be accounted for. It is important for the CEC to publish whatever it can on a unit by unit basis. The data reported so far from CEMS database indicates significant variations by unit. In some cases individual units are being counted upon to perform a very important local reliability function. Broad averages of performance for the aging power plants as a class of power plant are not sufficient. The CEC needs to report what it can on an individual unit basis.

3. Much more analysis needs to be completed concerning the mix of generation (renewables, distributed generation, etc) and non-generation technologies in each load pocket before any conclusions can be made about the environmental and economic effects of replacing the Aging Power Plants.

In closing, the Cities wish to again commend the Commission in deciding to undertake this important work. We encourage it to support additional staff analysis and to report its results in a manner that is open and public, meeting the high standard the CEC has set for itself.